

California Department of General Services
Together with the
California Consumer Power & Conservation Financing Authority

STATE FACILITY SOLAR POWER PURCHASE PROGRAM
REQUEST FOR PROPOSALS
No. 2004-1

On behalf of:

California Department of Corrections
California Department of General Services (State office buildings)
California Department of Mental Health (State hospitals)
California Department of Transportation
California State University System
University of California

April 22, 2004

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1. Illustrative Installation Conditions at State Facilities
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4. Required Proposal Response Forms
 - Bidder Registration Form (Submitted in advance of bid)
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1.0 OVERVIEW

1.1 SUMMARY

The State of California is embarking on a procurement process to enable agencies and educational institutions to meet their goal of implementing cost effective, on-site solar electricity projects. The Department of General Services (DGS), together with the California Consumer Power & Conservation Financing Authority (CPA), are pleased to announce this **Request for Proposals (“RFP”)**. It seeks to contract for approximately 4 MW of private-party-owned on-site solar electric systems (e.g. photovoltaic [PV] or other decentralized solar technology) to be installed in, on, or around a number of specified State facilities.

Bidders must propose supplying private-party-owned systems, with the successful bidders invited to sign long-term power purchase agreements with host State sites that will pay for the solar output on a cents/kWh basis. We believe this approach provides the solar industry the flexibility and creativity necessary to achieve the lowest overall price for increasing the State’s use of solar energy. We invite your consideration of this Request for Proposals.

- A **pre-proposal meeting** will be held on Thursday, April 29, 2004, 0930 – 1130 at DGS Headquarters, 707 3rd Street, West Sacramento, California in the Ground Floor Auditorium. The State will present the details of the RFP and answer any questions that interested bidders may have. While attendance at this meeting is highly encouraged, it is not mandatory.
- **Site visits** will be scheduled during the period May 5-19 (See Section 2.2 and Attachment 7 for details.) Bidders' attendance at site visits for the site or sites that they intend to bid is not mandatory. However, attendance at site visits is strongly advised. There is only one visit date available for each site. On this date bidders must obtain or request specific data, information, and answers to questions via physical inspection of the site. Information and answers to the questions posed that day will be shared with all bidders. Failure to attend a site visit is not license to submit site-specific questions that were not addressed during the scheduled site visit. Bidders are responsible for site specific considerations of a proposed installation, regardless of whether they attended the site visit.
- **Questions** regarding this RFP also shall be directed *in writing* either by
 - E-mail: solarrfp@dgs.ca.gov or
 - Fax to Mark Fillinger, California Power Authority (916) 651-9595 through June 7¹
 - Questions received after the cut-off date specified above will not receive a response.
 - Telephonic or direct questions to state or facility staff are not permitted.
- **All interested bidders must register** for this RFP by submitting a **Bidder Registration Form** (see example in Attachment 4), addressed by e-mail or fax, as indicated above. This form must identify a single person for all communication regarding this RFP. It is in the bidders’ interest to file these forms as soon as possible, as only each registered bidder’s designated contact person will receive direct answers to questions or addenda that may be

¹ This permits time to provide answers and final addenda to all bidders at least 7 days prior to the RFP due date.

issued regarding the RFP. These forms must be received **no later than June 1**, to ensure that answers and amendments are sent in sufficient time for your consideration during the preparation of bids.

- While the RFP itself will be posted on the State Contract web site www.cscr.dgs.ca.gov/cscr/, answers to written questions will be sent by e-mail only to registered bidders. The State reserves the right to issue amendments to this RFP if there are any material changes to the offering.
- **Proposals must be received no later than 4 p.m. on Thursday June 17, 2004 at the following location:**

*State of California
Department of General Service, Procurement Division
707 3rd Street, 2nd Floor
West Sacramento, CA 95605
Attention: Bill Shelton*

1.1.1 Third-Party Solar Power Purchase Program and RFP Objective

The goal of this RFP is to select bidders (solar service providers) who will finance install, own, and operate solar photo-voltaic (PV) systems to be located at specified state facilities and sell the electrical output to the host site on a ¢/kWh basis. Systems will be owned and maintained by the successful bidder(s), who will provide all of the solar electrical output to the host site on a services contract basis. Agencies and institutions inviting proposals for the right to purchase solar energy from on-site systems include:

California Department of Corrections
California Department of General Services (State office buildings)
California Department Mental Health (State hospitals)
California Department of Transportation (Caltrans)
California State University System
University of California

Table 1 presents the sites offered in this solicitation. A schedule for site visits has been set and is provided in Attachment 7. The State will evaluate bidders using a “two-envelope” system. The first envelope submission will be screened based on technology offered and team qualifications. For those demonstrating sufficient capability on these criteria, the second envelope will be evaluated based on the best economic value offered to each site (measured on a net present value savings basis over the contract period proposed, compared to a benchmark of expected utility power bills). The intent is to make prompt initial award decisions in the form of issuing a “Notice of Intent to Award” for every site where there is a clear price benefit offered compared to the expected electric utility tariff or energy service provider charges.

If response to this RFP is favorable, the State's goal is to issue subsequent RFPs for additional State facility sites and to make subsequent bidding procedures as efficient as possible for qualified bidders. Therefore, it is the State's intention that bidders who pass the qualifications review in this RFP should be able to use substantially similar bid materials in any subsequent RFPs for additional State facilities.

Table 1 - First Round Solar PV Host Sites and Approximate Project Sizes

Site Locations by Agency or Educational Institution	Estimated PV System Size & Type*	Site Description
DEPARTMENT OF CORRECTIONS		
Chuckawalla Valley State Prison, Blythe	1 MW ground mount	Open field
Ironwood State Prison, Blythe	1 MW ground mount	Open field
DEPARTMENT OF MENTAL HEALTH		
Metropolitan State Hospital, Norwalk	250 kW roof mount	Several buildings
Patton State Hospital, Patton	250 kW roof mount	Several buildings
DEPARTMENT OF TRANSPORTATION (CALTRANS)		
District office building, Stockton	200-250 kW roof mount and/or carport	Office building, parking lot
DEPARTMENT OF GENERAL SERVICES		
Santa Rosa State Office Building, Santa Rosa	250 kW roof mount	Single office building
UNIVERSITY OF CALIFORNIA		
UC Office of President, Oakland	200 kW roof mount	8 story office building
UC Santa Cruz, Santa Cruz	200 kW roof mount	3 buildings
UC Santa Barbara, Santa Barbara	TBD, roof mount and parking structure	1 existing building, 1 new building, 1 new parking structure
CALIFORNIA STATE UNIVERSITY SYSTEM		
CSU Fullerton	Parking lot: 400 kW Building: 300 kW	New parking lot and a 2 story building
CSU Cal Poly San Luis Obispo	400 kW, roof mount	3 story building
CSU Dominguez Hills	750 kW, parking structure	New parking lot
CSU Long Beach	Parking lot: 500 kW Buildings: 200 kW	2 parking lots, a 5 story and 3 story building

* Projections regarding the size of the solar system for each facility are estimates only. Bidders should confirm the appropriate size of the solar system during the site visit. A designation of "TBD." (To Be Determined) under "Estimated PV Size" indicates that the applicable state agency has not estimated the size of the solar system for the identified facility.

Note that any mention of solar “PV” technology throughout this RFP is not meant to exclude other forms of on-site solar electric technology that lend themselves to installations of 1 MW or smaller.

1.1.2. Program Goal

If solar pricing obtained in response to this first RFP is favorable, the State anticipates issuing subsequent RFPs for additional facilities. Table 2 summarizes a preliminary estimate of the full solar potential on State facilities. The two-year program goal is to install 10-20 MW in State facilities, at or below each site’s effective retail price of power. If pricing is favorable, we anticipate that the program might contract for up to 60 MW in State facilities by the end of 2007 (See Table 2, below).

Table 2
Estimated Solar Potential at Major State Agencies and Educational Institutions

Agency	Potential Sites	Solar MW Potential		2003 Retail Power Prices Paid
Corrections	Estimates 25 of 33 facilities @ 1 MW (of 2-3+ MW loads).	25 MW – probably ground mounted outside core area, but within perimeter fence.		Average tariffs 10-12 cents/kWh; daytime effective rates may be 12-15 cents w/ demand charges.
Caltrans	Start with 7-8 key buildings with total demand of 1.6-3.1 peak MW among 20 district office buildings on TOU rates.	16 bldgs with 20% solar of 320 kW – 620 kW each, = 5 – 10 MW		20 largest facilities pay TOU* costs, with 8-10 facilities in IOU areas; approx. 14-16 cents/kWh.
UC	Target new buildings, with some existing buildings.	11 MW technically feasible over 10-year period, subject to price.		10 cents per avg. kWh
CSUS	23 campuses, 18 in IOU areas.	Max potential may be 12+ MW.		Same as UC’s.
DGS	7 facilities in IOU areas, from 20 best prospects DGS owned/managed	841 kW identified solar potential.		Varies by building; target facilities on PG&E and SCE rates, not those in SMUD or LADWP areas.
Mental Health	3 of 4 hospital campuses (may exclude site with cogen), some interest in solar carports.	If 3 hospitals got 20% of demand from solar = 1.5 MW.		All in IOU areas on SCE TOU-8 and PG&E TOU rates. Assume 10-12 cent annual average rate.
Potential Solar PV Installations		Two-years 10-20 MW	Longer-term Up to 60 MW	

This is generalized information. See Attachment 3 for specific site information, including the applicable power tariff. The tariffs will set the bid price evaluation benchmark for each site.

**TOU means time-of-use.*

Once the program and contract documents become established, public agencies in California, including cities, counties, school districts, community colleges, and a variety of special purpose districts (e.g. water, wastewater, parks and recreation, etc.) may want to make use of this solar installation program as a model. Thus, the State is hopeful that this RFP will generate the

potential for similar solar contracts that far exceed the scale available from state agencies and educational institutions alone.

1.1.3 Anticipated Bidding Schedule

Issue final RFP for third party solar PV	April 22
Pre-proposal meeting	April 29
Site visits (See Attachment 7)	May 5 – May 19
Final proposals due	June 17
Qualified bidders announced	July 15
Price Bid opening	July 15
Mail letters of intent (LOI) to award	August 15
Solar awards announced	August 19
Commence CEQA process	August 19
Power Purchase and Solar License (SLA) agreements executed	See Solar License Agreement Exhibit G for implementation sequence

1.2 RATIONALE and EXPECTED OPPORTUNITY

1.2.1 Background

A prior 2001-02 Power Authority Request for Bid envisioned that State agencies and educational institutions would make commitments for the outright purchase of decentralized solar installations on a large scale (e.g. 80 MW over 4-5 years). This assumption proved to be unattainable due to several factors:

- Emerging capital budget constraints due to reduced State revenues.
- Economics of public ownership were not sufficiently favorable, especially without ability to utilize state and federal tax credits and accelerated depreciation available to private owners of solar systems.
- The State Department of Finance expressed concerns about both performance risk and economic risk, and was not convinced that State ownership of solar generation would ensure sufficient operating cost savings.

All of these conditions combined led the CPA to conclude that State executive agencies would not be able to commit to purchasing a substantial volume of decentralized solar systems.

1.2.2 Current Approach

The CPA and DGS, in conjunction with participating State agencies and educational institutions, have designed this alternative program of private-party-owned solar installations supported by long-term solar power purchase agreements with the host site. In 2003 the CPA obtained

expressions of interest in this approach, to the extent the solar prices are favorable, from major State agencies and educational institutions. These are:

- California Department of Corrections
- California Department of General Services
- California Department of Mental Health
- California Department of Transportation (Caltrans)
- California State University System
- University of California

Together these agencies have the potential for 10+ MW of solar installations in the next two years, and 60+ MW in the longer term. The summary table below indicates for these agencies their potential types of facilities, estimated solar MW potential, and approximate current power prices paid, based on 2003 retail power tariffs. Please note that the information in this table targets facilities served by investor-owned utilities (IOUs) where retail prices are higher than in municipal utility service areas.

1.3 TWO-ENVELOPE PROPOSAL EVALUATION PROCESS

Each bidder will submit its bid in two envelopes, the first covering qualifications/ technical information, and the second providing price information. Two sequential review panels will evaluate the proposal submissions.

In all cases each state agency or educational institution retains the final decision whether to enter such an arrangement for any particular facility.

1.4 TIME PERIOD COVERED BY PROPOSAL

We request proposals for 20-year delivery of solar power to the host sites. The site must “take” all solar output produced, but if this cannot be used, it is expected the sites should be able to send any surplus back into the grid via a “net metering” tariff with the serving utility or energy service provider.²

Bidders also may submit at their option price terms for a 25-year delivery period, as long as this longer period is matched by commensurate solar system component warranties, and operating and maintenance terms.

Using the guidelines specified in Attachment 6, Solar License Agreement, Exhibit G – Project Design and Installation Process, selected bidders will develop project schedules to progress through project milestones (e.g., environmental clearance, design approval, construction, commissioning and operation). The schedules will be reviewed by the State and once approved become part of the required documentation for the Solar License Agreement. Failure by a bidder to achieve this schedule, considering the awarded team’s best efforts, may result in cancellation of a contract award and award to another bidder.

² There are self-generation incentive program guidelines (see discussion in Section 1.8) that effectively limit the size of these systems to 1 MW, not to exceed the existing peak electrical demand of the site.

1.5 ELIGIBLE BIDDERS/TEAMS

This is an *open solicitation* giving any and all bidders the opportunity to propose their chosen technology and partnering teams.

1.6 ROLES AND RESPONSIBILITIES

1.6.1 State Agency/Host Site³

- Nominate candidate sites using CPA/DGS/industry preliminary screening criteria
- Review site-specific proposals, including technical description, qualifications, installation plans, and solar power prices
- Make final acceptance decision on site participation in program
- Agree to make solar payments from annual operating budget
- Execute Solar License Agreement with 3rd party for roof or ground access and installation of equipment.
- Execute Solar Power Purchase Agreement
- Manage or assign (e.g. to DGS) tasks for each project's environmental clearance, design review, and installation inspection and acceptance
- Pass along any solar/DG incentive to 3rd party
- Pay for solar power output as per billing terms

1.6.2 CPA

- Structure the program
- Pre-market program to public agencies
- Establish basic terms and conditions to incorporate into agency-specific agreements
- Co-Sponsor bidding and participate in proposal review panels
- Market program to public agencies once program is expanded beyond State facilities
- Work with DGS to obtain Department of Finance approval for each State site as necessary
- Receive a portion of program development fees.

1.6.3 Department of General Services

- Assist CPA in structuring program
- Prepare Solar Power Purchase Agreement and Solar License Agreement
- Co-Sponsor bidding and participate in proposal review panels
- Work with agencies and CPA to obtain Department of Finance transaction approvals for each State site as necessary.
- Recover costs of DGS program support services through transaction costs.
- Manage individual project installations to extent assigned to DGS by host site

³ Details of the transaction process may differ for the executive agencies (Caltrans, Corrections, DGS, DMH) as opposed to CSUS and UC.

- By arrangement with host site, review billings where there are disputes, special requests, or to monitor program performance

1.6.4 3rd Party Solar Providers

- Decide feasible sites to bid
- Execute Solar Power Purchase Agreement(s)
- Execute Solar License Agreement(s)
- Finance system
- Design installation for site-specific conditions and provide complete information and documentation to facilitate reviews and construction inspections.
- Install system equipment in compliance with approved plans, specifications and applicable code and regulations.
- Install system metering and interconnection to utility grid
- Own, maintain and operate system*
- Bill host site for solar energy produced

** Note: Bidders should assume some member(s) of the provider team must own the solar systems for the full term of the agreement. At some future date there may be State interest in ownership conversion, however this is not a near-term possibility.*

1.7 REQUIRED DOCUMENTATION

The following documents will be required for the eventual transactions in this program:

- Solar License Agreement (SLA) between host site and solar power provider: See Attachment 6, for Major Terms and Conditions
- Solar Power Purchase Agreement (SPPA) - See Attachment 5, Major Terms and Conditions
- Design and installation documentation - See SLA Exhibit G - Project Design & Installation Process
- Operation & maintenance (O&M) agreements: See SLA Exhibit G – Project Design and Installation Process
- Proof of bidder's liability insurance: See SLA Exhibit G – Project Design and Installation Process

Attachments 5 and 6 to this RFP specify the Major Terms and Conditions that will be included in any Solar License Agreements and any Power Purchase Agreements. **The State will not accept alternative contract language from a prospective bidder. A proposal with such language will be considered a counter proposal and may be rejected on that basis alone at the sole discretion of the State. The State's General Terms and Conditions are not negotiable.**

Once any site selects a solar provider, the State will designate a single contact person to coordinate subsequent discussion with the awarded bidder, arrange site access, facilitate detailed design and installation determinations, and execute agency-specific agreements.

1.8 OTHER CONSIDERATIONS

1.8.1 Self-Generation Incentive Program (SGIP) or Other Incentive Applicability and Limitations

The program assumes that participating sites in investor-owned utility (IOU) service areas will take maximum permissible advantage of California incentives for installation of solar systems.⁴ (All bidders, of course, should seek to take maximum advantage of any other incentives, such as state and federal tax credits and accelerated depreciation.) To the extent that the utility customer of record must apply for any California incentives, the program assumes that participating sites will assign these to the selected Solar Provider.

For the convenience of bidders, we summarize below relevant rules of the IOUs' Self Generation Incentive Program as they apply to state agency participation. There are four major IOUs in California: PG&E, SCE, SDG&E, and Southern California Gas.

From section 3.4.2 of the Self-Generation Incentive Program Handbook⁵:

Reservation Limitations (emphasis added)

There are restrictions on the amount of incentive funding an Applicant can reserve and receive. Applicants can reserve up to 1.0 MW per program year of incentive funding for a single corporate or government parent Host Customer at any one time within a given investor owned utility's service territory. There are no reservation limits for third party contractors, vendors, or energy service companies (ESCOs) applying to the program. However, project size limits per site and corporate or governments parents incentive limits are in force for all projects. Table 3-3 summarizes the limitations on project size.

Table 3 - Incentive Size Caps for Each Administrator^{1,2}

Time Period	Project Site Max.	Corporate or Government Parents	Contractor, Vendor, ESCO
Calendar Year	1.0 MW	1.0 MW	None
Program Duration (2001-2004 & beyond)	4.0 MW	4.0 MW	None

⁴ Although not the prime target of this program, facilities served by municipal utilities, such as in Los Angeles or Sacramento, may have access to different incentives. Nothing in this RFP is intended to exclude participation by facilities outside of IOU service areas. Moreover, should there be an installation of 30 kW or smaller, such an installation would need to abide by the California Energy Commission's Emerging Renewables Incentive Program.

⁵ This comes from an identical handbook used by all IOU utilities administering the CPUC-authorized SGIP. Source: http://www.sdenergy.org/uploads/SDREO_SGIP_Handook_Revised_1-17-04r4.pdf, which may not be the most up to date. This information should be accessible from each utility's web site.

¹ These caps are established for each “administrator’s” (investor-owned utility’s) territory. Thus if an agency had a site in each of 4 service areas, it could be eligible for up to 4 MW of incentive/year.

² State Government Parents are defined as:

- University of California
- California State University
- Department of Corrections
- Department of General Services
- Combination of Department of Developmental Services and Caltrans
- Combination of California Youth Authority & Department of Mental Health
- All other state agencies and department

Please note that legislation was enacted in 2003 requiring the CPUC to extend the SGIP incentive program to 2008. The CPUC has opened a proceeding to revisit SGIP program rules and incentive levels, with a decision anticipated late in 2004. It is possible this could result in a change of incentive level available to solar projects. If the incentive should change after award of bids, and before a winning bidder secures an incentive reservation at current levels, then all bidders whose price envelopes were opened will be afforded an opportunity to update their bids based on the new incentive levels.

1.8.2 Taxes on Solar Power Sales

Bidders should assume State facilities will not pay any city energy/utility users tax on solar energy purchased from private on-site solar providers. DGS has advised the CPA that in most cases, with some exceptions, the State does not pay these fees, and regardless, no such fee would be collected for power generated and used on site.

1.8.3 Transaction Cost Payments

Many State agencies and educational institutions have internal billing systems to recover the costs of certain centrally-supplied building construction and management duties from user departments. Each bidder should include in its cost analysis and price bid an allowance for the following costs to be paid by the bidder over the course of the design and installation of each project:

Table 4 - Project Transaction Costs to be Reimbursed

Transaction Cost Areas	Unit Cost per PV System Type				
	Unit	250 kW Roof Top Horizontal Self-Ballasted	250 kW Roof Top Elevated Racks	1 MW Ground Based Covered Parking	1 MW Open Field
To be Paid Subsequent to Award and Prior to Execution of Solar License and Solar Power Purchase Agreements					
CEQA Environmental ¹	Project	\$5,000	\$5,000	\$7,500	\$8,500
Project Management / Coordination	Project	\$10,000	\$15,000	\$20,000	\$15,000
To be Paid Upon Execution of Solar License and Solar Power Purchase Agreements					
Design Review and Approval	Project	\$4,000	\$5,000	\$7,500	\$6,500
Due Diligence	Project	7,500	7,500	\$10,000	\$10,000
Construction Inspection ²	Week of Construction Operations at Facility	\$4,000	\$4,000	\$4,000	\$4,000
Security and Guarding Costs ³ – CDC projects only	Week of Construction Operations at Facility	\$1,750	\$1,750	\$1,750	\$1,750
To be Paid Upon Installation Complete and Commencement of Solar Power Generation					
Program Development Fees	kW installed capacity	\$110.00 / kW			

These front-end project development costs will be paid by the successful bidder to the State and should be included in the project cost for amortization as a portion of the solar power pricing in the Solar Power Purchase Agreement.

1.8.4 Roof-Systems Removal and Reinstallation for Re-Roofing

Bidders shall expect to necessity to move or remove/replace roof-mounted solar systems one time during contract period, at bidder's expense, to allow for the State's roofing contractor access for re-roofing. Bidders may want to take this expectation into consideration in choosing the mounting system to be used, i.e. choosing a system that is more amenable to dismantling and

re-installing. Should the proposed system include roof penetrations, it should be designed with sufficient clearances to facilitate reroofing without disturbing the solar system.

1.9 AMERICANS WITH DISABILITIES ACT (ADA) COMPLIANCE

1.9.1 Policy of Nondiscrimination on The Basis of Disability

In order to meet and carry out compliance with the nondiscrimination requirements of Title II of the Americans with Disabilities Act (ADA), it is the policy of the Procurement Division (within the State Department of General Services) to make every effort to ensure that its programs, activities, employment opportunities, and services are available to all persons, including persons with disabilities.

Therefore, for persons with a disability needing reasonable accommodation to participate in the Procurement process, or for persons having questions regarding reasonable accommodation for the Procurement process, please contact the Procurement Division at (916) 375-4400 (main office); the Procurement Division TTY/TDD (telephone device for the deaf) and California Relay Service numbers are listed below. If you know the Procurement Division contact person that is handling the particular Procurement documentation or event that you are interested in (such as a meeting, workshop or conference) you may also **contact them directly**.

1.9.2 Request Lead Time

IMPORTANT: TO ENSURE THAT WE CAN MEET YOUR ACCOMMODATION, IT IS BEST THAT WE RECEIVE YOUR REQUEST AT LEAST 10 WORKING DAYS BEFORE THE SCHEDULED EVENT (i.e., MEETING, CONFERENCE, WORKSHOP, etc.) OR DEADLINE DUE-DATE FOR PROCUREMENT DOCUMENTS.

1.9.3 Contact Information

The Procurement Division TTY telephone numbers are:

Sacramento Office: (916) 376-1891

Fullerton Office: (714) 773-2093

The California Relay Service Telephone Numbers are:

Voice: 1-800-735-2922 or 1-888-877-5379

TTY: 1-800-735-2929 or 1-888-877-5378

Speech-to-Speech: 1-800-854-7784

1.10 TERMINOLOGY

The terms Bidder, bidder, Contractor, contractor and Licensee are interchangeable for purposes of this RFP.

2.0 PRODUCTS AND SERVICES REQUESTED

2.1 REQUESTED & PERMISSIBLE PRODUCTS PROPOSAL

2.1.1 Solar Installation Proposal Categories:

Bidders will submit a proposal for decentralized solar installations in one or more of three categories:

- Roof-mounted (preferably not penetrating the roof membrane, but not so required)
- Ground-anchored covered parking (“solar carport”)
- Ground-based open field (e.g. within perimeter fence but not in security areas of correctional facility)

State solar installations typically may range from 30 kW to 1 MW. Proposals for this first set of facilities anticipate the specified configurations shown in Table 1 above. Please see Attachment 3 for the agencies’ characterizations of their sites and current energy consumption profile. **Bidders should assume that there was no pre-feasibility done as to an appropriately-sized solar system for the location and conditions offered. Each bidder is responsible for ascertaining relevant site conditions and making its own finding of appropriate system size during the site visits.**

2.1.2 One System And Price Bid Per Site Per Bidder

The State expects each bidder to propose one system only for each site, i.e. your best value offer in terms of expected financial savings to the host as measured by total site power bills (utility purchases plus solar billing).

2.1.3 Capturing Lower Peak Demand Charges (Optional):

It may be critical to the decision economics of some agencies to accurately assess if they can count on paying a reduced utility bill if the solar system avoids on-peak demand charges. The facilities in this RFP represent a wide spectrum of load profiles and operating hours. Some facilities have peak loads in the 12-2 p.m. time frame when solar production is typically at its best, while other facilities peak at 5-6 p.m. when the solar system may not produce significant demand savings. We invite bidders who so choose to present information on any solar demand reduction guarantees they offer, or alternatively what mitigation measures will be offered – such as integrating the solar system with load control systems, energy management systems, battery back up, or monetary guarantees. (Unless bidders verify that energy management control systems exist at each site, bidders should assume either these are not available or include them in your offer and pricing.) If a bidder intends to capture demand savings in the billing method proposed, the bidder must propose an appropriate method for monitoring solar production at peak periods and calibrating this to the whole-building or facility load (or whole-campus load, as applicable) upon which utility demand billing occurs. If a bidder intends to include the value of demand

savings, they need to reflect this benefit embedded in their energy price bid. Price evaluation is based on an energy-only calculation.

2.1.4 Alternating Current Power Delivery Only

All proposals must be for solar power delivered on an alternating current (AC) power basis and tied into the buildings primary AC power system. Wherever used herein the term ‘kW’ means kW of AC capacity measured as productive solar output delivered to the host site.

2.1.5 No Provision For A “Solar/Efficiency Bundle”

No bundling of efficiency measure will be permitted in this procurement. We fully understand that combining solar PV systems and efficiency measures can improve the overall economics of potential projects. While some facilities might welcome such an approach, most agencies believe that it would add excessive complexity to this solar transaction. Reasons include: needing to review energy audit findings and approve engineering recommendations for efficiency measures, difficulty in pricing and metering “negawatts”, and impracticalities of arranging a “footprint” license for facility locations where privately-owned efficiency measures are installed, causing entire facilities potentially to bear liens for the value of the energy improvements.

2.1.6 No Discouragement Of Separate Efficiency or Distributed Generation Actions

Recognizing the value of energy efficiency, no terms of a solar installation shall discourage or prohibit a facility’s separately undertaking additional energy efficiency or other distributed generation actions.

2.2 ILLUSTRATIVE INSTALLATION CONDITIONS

Guidelines for “illustrative conditions” that will be found for State facilities in general are indicated in Attachment 1.

Bid prices for the specific State facilities offered in this round will be based on the characteristics of those sites, described in Attachment 3, and as further reviewed during the site visits. To the extent that an educational institution has campus design requirements (e.g. for CSUS or UC), these will be identified in Attachment 3 for that/those sites.

2.3 SOLAR SYSTEM SPECIFICATIONS

Proposal responses must include all processes and equipment needed to produce solar electric power suitable for use by the electrical system of the site. The design of integrating the on-site solar system with the other power sources for the site of installation will be the responsibility of the bidder. Final project installation proposals must include all costs to achieve commercial operation. Minimum technical specifications are delineated in Attachment 2.

2.4 GUARANTEE OF MINIMUM OUTPUT PERFORMANCE

The State wants to ensure that price bids are not “gamed”, and that each bidder offers its best and most accurate “value” to the nominated sites, as measured in expected power cost savings over

the life of the contract. To protect against any inclination for a bidder to simply offer the lowest price for some “artificially-promised” kWh, **each bidder must state a quantity of power they expect to deliver each year. Moreover, each bidder must be prepared to guarantee a minimum output performance from the solar system over the course of each calendar year, at a minimum level equal to 90% of the stated expected performance output (See Bid Form 1).**

2.5 FORM OF PRICE BID

We request firm and specific bid prices for the specific first-round sites offered. This RFP seeks bids on a cents per kWh basis for 20-year delivery of solar power produced on-site, and optionally, for a 25-year delivery period. (See Proposal Form 2.)

Bidders also may submit, at their option, price terms for a 25-year delivery period, as long as this longer period is matched by commensurate solar system component warranties, and operating and maintenance terms.

2.5.1 Price Bid Form Options

The price bid may be offered in any one of three forms. The State has strong preferences for option a), but only to the extent that it offers each facility the best overall expected savings compared to any other forms of pricing.

- a) **Tracking Applicable Tariffs** -The State’s **first choice** is a price that tracks the prevailing retail price of power purchased on applicable tariffs of the local-serving utility over the full term of the contract. Prices bid in this format could be at a fixed percentage (100% or less) of the applicable retail energy (or calculated on the basis of energy plus demand, at the bidder’s choice, but reflected in an energy-only price bid) tariff. The State’s Department of Finance believes this is the best basis on which the State could enter into these agreements.
- b) **Fixed Price Increments with Escalation** - The State will consider proposals that offer fixed prices for periods of time, with pre-stated escalation clauses (you must describe your escalation methodology, and keep this simple), as long as the price paid never exceeds the otherwise applicable retail utility price that the facility would have paid in any calendar year.
- c) **Flat Fixed Price Over Term of Agreement** - The State will consider proposals that offer fixed, flat prices over the term of the Contract with no escalation clauses, as long as the price paid never exceeds the retail utility price that the facility otherwise would have paid in any calendar year.

All price bids will be evaluated using the same retail energy-only price forecast benchmark method, described in Section 3.3, as this is applied to each specific facility and its base year power tariff.

2.5.2 Agency or Educational Institution Multi-Site Price Discount Option

There will be one exception to the requirement of only one system/one price bid per site. The State believes there are contractual advantages in working with a handful of solar providers, rather than a dozen different providers. Thus bidders are encouraged to submit discounted price bids for multiple site awards, where discounts would pertain to each “bundle” of sites offered by an individual parent agency or educational institution. For example:

- Corrections offers a bundle of 2 sites,
- Mental Health offers 2 sites,
- The University of California offers 3 sites, and
- California State University System offers a bundle of 4 sites.

If a bidder wants to offer a lower price (i.e. a discount) **if awarded all the sites in an individual agency or institution’s “bundle”**, a bidder may offer such a discount for one or more of the identified “bundles” of sites listed. The discount can be expressed either as a percentage of the base bid, or as a specified cent per kWh value. **This offer must apply uniformly over the entire 20-year (or optional 25-year) contract period, and to all the sites included in each agency’s bundle.**

2.5.3 Duration of Bid:

Bid prices must remain in effect for at least 120 days from date of proposal submission.

2.5.4 Potential Revenue from Renewable Energy Credits (RECs, sometimes called “Green Tags”):

The California Public Utilities Commission and California Energy Commission state that they will decide in 2004 how to treat the renewable attributes of renewable distributed generation (e.g. solar PV) under the state’s Renewable Portfolio Standards. For now, all bidders should assume a \$0 value will be available for potential Renewable Energy Credits (RECs) that they may believe are associated with solar PV systems. (The reason for this is that we assume all systems will claim the SGIP incentive, and public policy may declare that ratepayer money effectively bought the RECs in exchange for paying the renewable incentive.)

In the event that a market for RECs becomes available in California, is applicable to these solar PV projects, and can be owned by the solar system owner or customer host site, the following will apply:

- The four State executive agencies (Caltrans, Corrections, General Services and Mental Health) will assign any value up to the first 2.0 cents/kWh to the solar bidder. Any value in excess of 2.0 cents/kWh will be split 50/50 percent each between solar bidder and host site.
- For the University of California, the University desires to maintain ownership of any and all such RECs, but does not intend to sell them in any REC market. UC will retain these to meet its policy goals for renewable energy.

- For the California State University system the University desires to maintain ownership of any and all such RECs, but does not intend to sell them in any REC market. CSUS will retain these to meet its policy goals for renewable energy

2.6 PROJECT DESIGN & INSTALLATION PROCESS

The Solar License Agreement, Exhibit G - Project Design and Installation Process, explains the State's process for the design, review, installation and acceptance of the equipment being installed and modifications to the host agency facilities.

3.0 EVALUATION PROCESS/ PROPOSAL SELECTION

3.1 PRIMARY CONTACT FOR WRITTEN PROPOSAL INQUIRIES

Name: Mark Fillinger
Organization: California Power Authority
Address: 901 P Street, Suite 142A, Sacramento, CA 95814
Fax: 916/ 651-9595 (no phone calls)
E-mail: solarrfp@dgs.ca.gov

3.2 COMMUNICATIONS RESTRICTIONS ONCE FINAL RFP ISSUED

The following section from the CPA's Code of Ethics is provided as clarification to Ex Parte Communications with CPA staff who is involved in this bidding process with DGS:

Once the Public meeting to discuss the Draft RFP has concluded, any communication from potential/existing bidders must be made in writing and will be publicly posted with the corresponding responses.

The California Power Authority's Code of Ethics also provides:

- a) During the process leading to the award of any Contract, no Member or staff shall knowingly communicate concerning any matter relating to the Contract or selection process with any party financially interested in the Contract or an officer or employee of that party, unless the communication is (1) part of the process expressly described in the request for proposal or other solicitation invitation, (2) part of a noticed Board meeting or (3) as provided in subdivision (c). Any applicant or bidder who knowingly participates in a communication that is prohibited by this subdivision may be disqualified from the Contract award.*
- b) The process leading to an award of a contract means the period between release of a final request for proposals or bids through award of the contract.*
- c) The procedures and prohibitions prescribed by this section shall not apply to communications that are incidental, exclusively social or do not involve the Authority or its business.*
- d) Staff shall provide Board Members with a monthly list of all parties who have bids pending or are involved in contract solicitations, negotiations or reviews such that communication with these parties may be subject to these restrictions.*

3.3 PROPOSAL REVIEW PROCESS - "TWO ENVELOPE" SYSTEM

Each bidder will submit its proposal in two sealed "envelopes" or boxes, each one clearly labeled on the outside as:

Envelope #1 - Technical Proposal & Qualifications of _____ [bidder name]

Envelope #2 - Price Bid of _____ [bidder name]

There will be two sequential review panels that evaluate the proposal submissions.

Stage 1 Assessment of Envelope #1 - Technical/Qualifications will be scored Pass-Fail

A Technical / Qualifications Proposal Review Panel, comprised primarily of technical and administrative State agency personnel, including representatives of host sites, will convene. This panel will review each bidder's material in Envelope #1 to evaluate whether the proposal is responsive (i.e., complete) and whether the bidder is deemed "responsible." For purposes of this RFP, a "responsible bidder" is defined as a bidder who has demonstrated the attributes of trustworthiness, as well as the quality, fitness, capacity and experience to satisfactorily meet the minimum qualifications and perform the activities required by the RFP. All responsive, responsible bidders will achieve a "Pass" in the Stage 1 Technical/Qualifications review.

All proposals that are scored with a "Pass" will have their price bid envelopes submitted to the Price Review Panel. These price envelopes will be opened publicly on a date to be announced at least one week in advance. For any bidders who fail the Technical Qualifications review, their Envelopes #2 (price bids) will remain sealed and destroyed at a later date after awards have been concluded. Selection criteria are described in Section 3.4.

Stage 2 Price Review of Each Passing Bidder's Envelope #2

The price review panel will evaluate price bids offered, measured against the benchmark described below in Section 3.5. The panel will identify the maximum expected bill savings of the bid(s) offered at each site, seeking to maximize the net present value (NPV) savings of the proposed bid price, when compared against the retail price benchmark provided in the Price Proposal Form 2B. The proposal representing the highest net present value expected price savings, that is both responsive and responsible, will then be presented to each site for concurrence.

This analysis will be done first for all bids offered on single sites for 20-year periods. The analysis will then be performed for all optional bids offered on single sites for a 25-year period. For each site the most responsive 20-year maximum NPV savings bid will be compared to the most responsive such 25-year bid. Finally, the effective NPV expected savings (both 20- and 25-year periods) will be identified for each site if a bidder offered a group discount for all the sites offered by that agency or educational institution. The objective will be to obtain the greatest expected NPV savings for the entire set of sites offered by any individual agency or educational institution.

3.4 TECHNICAL & QUALIFICATIONS PROPOSAL REVIEW CRITERIA

The criteria described in the table below will be considered in the Technical/Qualifications review ("Envelope #1"). As noted above, bidders will be evaluated to determine whether they are both responsive and responsible under these criteria, on a pass/fail basis.

Table 3-1 Technical & Qualifications Proposal Review Criteria

Qualifications & Capabilities Considered	RFP Section Reference	Minimum Requirements To Pass
I. Technology Proposed & Performance		
<ul style="list-style-type: none"> Performance <u>ratings</u> of technology – panels, inverters, mounting systems, meters 	Attachment 2 & Proposal Form 1	<ul style="list-style-type: none"> Must meet minimum specifications of Attachment 2, as demonstrated in Proposal Form 1 (Attachment 4)
<ul style="list-style-type: none"> <u>Field data performance</u> of systems previously installed, including performance over time 	2.4 and Proposal Form 1 & 2B	<ul style="list-style-type: none"> Demonstrate that previous installations perform at or above the output level quoted in this proposal
II. Team Qualifications & Experience		
<i>A. System design & integration</i>		
<ul style="list-style-type: none"> Specific design proposed for each site (materials, size, configuration, system efficiency) 	Proposal Form 1	<ul style="list-style-type: none"> Proposal Form 1 is complete
<ul style="list-style-type: none"> Total capacity of solar systems designed and completed, with emphasis on those technologies and mounting system(s) proposed here 	Section 5 - 2F	<ul style="list-style-type: none"> Design/integration team proposed for this site previously has designed & completed a 250 kW or more equivalent system
<ul style="list-style-type: none"> Experience with California's Rule 21 electrical interconnection 	Section 5 – 2C	<ul style="list-style-type: none"> Demonstrated experience with successfully obtaining Rule 21 interconnection in California
<i>B. Installation Qualifications/Experience</i>		
<ul style="list-style-type: none"> Numbers of projects and total capacity of solar PV installed by installer team, including familiarity with proposed panels, inverters, and mounting systems 	Sec. 5 - 2C & 2F; Section 5 - 3; Attach. 2; Proposal Form 3	<ul style="list-style-type: none"> Proposed installer team for this site has installed at least one 250 kW system of similar type Proposed installer team has necessary contractor's license(s)
<ul style="list-style-type: none"> Ability to install in one year the number of sites bid 	Section 5 - 2 & 5 -4	<ul style="list-style-type: none"> Demonstrated installer team size & availability for the number of sites bid Demonstrated implementation plan and schedule for the number of sites bid

Qualifications & Capabilities Considered	RFP Section Reference	Minimum Requirements To Pass
C. Overall Project Management, Implementation & Delivery Capacity & Experience		
<ul style="list-style-type: none"> Project management and delivery capacity and capability 	Section 5 - 4 & 5 - 2F	<ul style="list-style-type: none"> References for successful projects where bidder demonstrated sufficient resources & experience to design and complete projects of similar size to that/those bid
<ul style="list-style-type: none"> Project schedule showing steps for all installations bid 	5--Section 4	<ul style="list-style-type: none"> Reasonable
D. Solar Output Monitoring & Billing		
<ul style="list-style-type: none"> Plan for monitoring,, diagnosing & tracking system performance and energy output 	Section 5 - 5	<ul style="list-style-type: none"> Responsive plan submitted
<ul style="list-style-type: none"> System for tracking output and billing host site, consistent with price form bid 	Section 5- 5 & 5- 6	<ul style="list-style-type: none"> Identification of responsive system and method for tracking system output and billing host site Sample bill format consistent with form of price bid
<i>E. Capital Financing Experience (Debt & Equity) for Projects of Magnitude & Type Proposed</i>		
<ul style="list-style-type: none"> Experience in arranging size and types of debt required in this bid (these bids) for solar systems or other 3rd party-owned capital equipment 	5—Section 2	Provide example(s) of at least \$1 million in placed financings by the proposed capital team in the last 2 years for either solar or other technology installations
III. Financial/Business Strength of Team		
<ul style="list-style-type: none"> Evidence that <i>capital team</i> members can secure debt/equity required for the installed cost of all systems bid 	5—Section 7	<ul style="list-style-type: none"> Commitment letter from anticipated funding source(s) to supply 1.0 times the gross installed cost of all systems bid. Capital sources in turn must demonstrate they are financially solvent and funds are available for these projects.
IV. Client/Customer Reputation of Team		
<ul style="list-style-type: none"> References of previous solar and financial clients 	Section 5 - 2F	No significant issues raised in reference checks that would indicate a lack of responsibility or responsiveness when references are asked “Would you hire this company again?”

3.5 PROPOSAL PRICE REVIEW CRITERIA

Method of Determining Expected Present Value Savings of Each Proposal

The State of California desires to select systems, bidders, and prices that can be expected to produce the greatest total financial savings in power costs to the host sites. The price evaluation system rewards the combination of system efficiency, system performance and equipment durability, and pricing that produces annual power cost savings. The following elements comprise the price analysis:

- Base year avoided retail tariff of host site (as per site's designated tariff, and current utility tariffs posted on web sites)
- Annual solar production expected by bidder
- Avoided retail bill for solar production (calculation)
- Solar bid price per kWh (from solar bidder)
- Expected solar bill (calculation)
- Expected solar savings (Calculation of Avoided retail bill less Expected solar bill)
- Annual expected change in solar system production (e.g. degradation, as specified by solar bidder)
- Annual escalation factor for retail tariff changes (from California Energy Commission)
- Annual escalation factor (if any) for solar bid price changes (from solar bidder)
- State discount rate (for calculating NPV) of **5 %**

The price analysis will consist of a net present value summation of the Expected Annual Solar Savings for:

- the base 20-year required SPPA term,
- any additional savings from the last 5 years of the optional 25-year SPPA term
- any discount offered for providing solar power at all sites in an agency or institution-specific bundle of sites.

Please see Price Bid Evaluation Form 2B (Excel file) for a Sample Bid Price Evaluation Spreadsheet.

As explained in Section 2.4, each bidder will be held to a minimum performance guarantee, with potential financial penalties for failing to achieve promised performance of at least 90% of what is offered. The State advises all bidders to consider very carefully how they quote "Expected annual solar performance" and "System performance/degradation factors" in their price bids.

3.6 CONFIDENTIAL OR PROPRIETARY BIDDER INFORMATION

The State will employ reasonable efforts to hold portions of the responses specifically identified and marked as "Confidential" in confidence to the extent permitted by law, until such time as the

proposal opening contemplated by this RFP. Upon proposal opening, all submittals and the information therein submitted in response to this RFP become the property of the State and will be regarded as public records under the California Public Records Act (Government Code Section 6250 et seq.) and subject to review by the public.

3.7 AWARD AND PROTEST

3.7.1 Notice of Award

Notice of the proposed award(s) shall be posted in a public place in the office of DGS Procurement Division (see address, preceding Section 1.1) for five (5) working days prior to awarding the agreement.

3.7.2 Initial Protest

If any bidder, prior to the award of the agreement, files a written protest with the DGS Procurement Division (see address, preceding Section 1.1) and DGS Office of Legal Services, Suite 7-330, 707 Third Street, West Sacramento, CA 95605, on the grounds that the (protesting) bidder would have been awarded the contract had the agency correctly applied the evaluation criteria in the RFP, or if the agency had correctly followed the evaluation methods in the RFP, the agreement shall not be awarded until either the protest has been withdrawn or the Department of General Services has decided the matter. It is suggested that you submit any protest by certified or registered mail.

3.7.3 Statement of Detailed Grounds for Protest

Within five (5) days after filing the initial protest, the protesting bidder shall file with the DGS, Office of Legal Services and the DGS Procurement Division, a detailed statement specifying the grounds for the protest.

3.7.4 Payee Data Record (STD 204)

Upon resolution of the protest and award of the agreement, Contractor must complete and submit to the awarding agency the Payee Data Record (STD 204), to determine if the Contractor is subject to state income tax withholding pursuant to California Revenue and Taxation Code Sections 18662 and 26131. This form can be found on the Internet at <http://www.documents.dgs.ca.gov/osp/pdf/std204.pdf>. No payment shall be made unless a completed STD 204 has been returned to the awarding agency.

4.0 STATE PROCUREMENT REQUIREMENTS

4.1 SOLAR POWER PURCHASE AGREEMENT

The Major Terms and Conditions of any Solar Power Purchase Agreement are presented in Attachment 5. The terms include a pricing mechanism, O&M requirements, end-of-term options, the length of the agreement, and buy-out rights or termination provisions.

4.2 SOLAR LICENSE AGREEMENT

The Major Terms and Conditions of any Solar License Agreement are presented in Attachment 6. Bidders should note in particular Exhibits J (Transaction Costs -- State Project Costs to be Reimbursed) and G (Project Design and Implementation Process).

As noted above, the State does not accept alternative contract language from a prospective bidder. A proposal with such language will be considered a counter proposal and may be rejected on that basis alone at the sole discretion of the State. The State's General Terms and Conditions are not negotiable

Selected Major Terms and Conditions are highlighted in the remainder of Section 4.

4.3 INSURANCE

After being identified as a successful bidder and prior to execution of the Solar Site License and Solar Power Purchase Agreements, bidder shall procure and maintain for the duration of the Agreements insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work hereunder and the results of that work by the Contractor, his agents, representatives, employees or subcontractors.

4.3.1 General Insurance Requirements

- .1 Insurance Companies shall be acceptable to the Department of General Services/Office of Risk and Insurance Management. If self-insured, review of financial information may be required.
- .2 All coverage shall be in force until Acceptance of the Work. If the insurance expires during the term of the Agreements, the Contractor shall immediately provide a new current certificate or be declared in breach of the Agreements. The State reserves the right to withhold all payments until the breach is cured to the satisfaction of the State. Renewal insurance certificates must be tendered to the State at least 10 days prior to the expiration of the previous insurance certificate. This new insurance shall be in accordance with the terms of the Agreements.
- .3 Insurance policies shall contain a provision that coverage will not be cancelled without 30 days prior written notice to the State.

- .4 The Contractor shall be responsible for any deductible or self-insured retention contained within the insurance.
- .5 In the event the contractor fails to keep in effect at all times the specified insurance coverage, the State may, in addition to any other remedies it may have, terminate the Agreements upon the occurrence of such event, subject to the provisions of the Agreements.
- .6 Any insurance required to be carried shall be primary.
- .7 Insurance policies shall contain a provision that states "The State of California, its officers, employees, and servants are included as additional insured's but only insofar as operations under the Agreements are concerned."

4.3.2 Minimum Scope of Insurance

Coverage shall be at least as broad as:

- .1 Insurance Services Office Commercial General Liability coverage (occurrence Form CG 0001).
- .2 Insurance Services Office Form Number CA 0001 covering Automobile Liability, code 1 (any auto).
- .3 Workers' Compensation insurance as required by the State of California and Employer's Liability Insurance.

4.3.3 Minimum Limits of Insurance

Contractor shall maintain limits no less than:

- .1 General Liability:

(Including operations, products and completed operations.)	\$2,000,000	per occurrence for bodily injury, personal injury and property damage. If Commercial General Liability insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
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- .2 Automobile Liability:

damage.	\$1,000,000	per accident for bodily injury and property
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- .3 Employer's Liability:

	\$1,000,000	per accident for bodily injury or disease.
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4.3.4 Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to and approved by the State. At the option of the State, either: the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the State, its officers, officials, employees and volunteers; or the Contractor shall provide a financial guarantee satisfactory to the State guaranteeing payment of losses and related investigations, claim administration, and defense expenses.

4.3.5 Other Insurance Provisions

The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

- .1 The State, its officers, officials, employees, and volunteers are to be covered as insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of the contractor; and with respect to liability arising out of work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations. General liability coverage can be provided in the form of an endorsement to the Contractor's insurance, or as a separate owner's policy (CG 20 10 11 85).
- .2 For any claims related to this project, the Contractor's insurance coverage shall be primary insurance as respects the State, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the State, its officers, officials, employees, or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.
- .3 Each insurance policy required by this clause shall be endorsed to state that coverage shall not be canceled by either party, except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the State.
- .4 Coverage shall not extend to any indemnity coverage for the active negligence of the additional insured in any case where an agreement to indemnify the additional insured would be invalid under Subdivision (b) of Section 2782 of the Civil Code.

4.3.6 Acceptability of Insurers

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII.

4.3.7 Verification of Coverage

Contractor shall furnish the State with original certificates and amendatory endorsements effecting coverage required by this clause. The endorsements should be on forms provided by the State or on other than the State's forms, provided those endorsements or policies conform to the requirements. All certificates and endorsements are to be received and approved by the State before work commences. The State reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

4.3.8 Subcontractors

Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor to the State for review and approval. All coverages for subcontractors shall be subject to all of the requirements stated herein.

4.4 PUBLIC WORKS CONTRACTOR'S LICENSE AND SUBCONTRACTOR INFORMATION (Complete Proposal Form 3, to be included in Envelope #1)

Bidders will be required to comply with the Special Conditions – Public Works requirements (Contracting License, Subcontractor Listing, and Worker's Compensation). See Proposal Form 3, Contractor Documentation.

The Contractor shall be an individual or firm licensed to do business in California and shall obtain at his/her expense all license(s) and permit(s) required by law for accomplishing any work required in connection with these Agreements.

The following license(s) is required for this solicitation:

- At a minimum, the installation contractor must have a C-10 Electrical Contractor or C-46 Solar Contractor license.
- If any systems are installed pursuant to CEC incentives (e.g. up to 30 kW), the CEC's Emerging Renewables Program Guidebook requires that contractors must have an active A (General Engineering Contractor, where applicable to unique projects), B (General Contractor), C-10 Electrical Contractor license, or a C-46 Solar Contractor license for photovoltaic systems. In addition, the CEC intends to require that contractors be certified to the testing requirements of the photovoltaic protocols of the North American Board of Certified Energy Practitioners once these protocols are finalized.
- For ground-mounted solar installations, a Class B license is required.
- Any company that sub-contracts installation work to a C-10 or C-46 contractor must have a "B" license.

Please complete information requested in Proposal Form 3. The state reserves the right to approve subcontractors, as explained in Site License Agreement, Exhibit J.

4.5 PREVAILING WAGES

The bidder, and any subcontractor thereof, shall pay the rate of wages for regular, overtime and holiday work plus employer payments for all benefits generally prevailing in the locality in which the work is to be performed, as determined by the State of California, Department of Industrial Relations, for all crafts, classifications or types of workmen used on the ordering agency premises at the point of delivery by the bidder, or subcontractor, for the assembly and installation of the materials purchased under this agreement.

The bidder shall comply with the Laws and Regulations governing the payment of prevailing wage as identified in the Labor Code, Part 7 (Public Works and Public Agencies), Chapter 1 (Public Works). Copies of the prevailing rate of per diem wages are on file at the Department of General Services Procurement Division headquarters and shall be made available to any interested party on request.

4.6 PERFORMANCE AND PAYMENT BONDS

Before starting installation, the contractor must obtain and provide a payment bond on Standard Form 807. The Contractor shall furnish bonds, each in the amount of 100 percent of the amount

covering payment of obligations arising thereunder and faithful performance of the Agreements as stipulated below and as specifically required in the Agreements.

The Contractor shall furnish a payment bond in the amount of 100 percent of the cost of solar systems material and labor and covering payment of the obligations arising thereunder. In addition the Contractor shall furnish a performance bond in an amount necessary to complete the project in the event the contractor fails to complete the project.

4.7 WORKER'S COMPENSATION CERTIFICATION

By signing and submitting a proposal, the bidder certifies that they are aware of the provisions of Section 3700 of the Labor Code which requires every employer to be insured against liability for workman's compensation or to undertake self-insurance in accordance with the provisions of that Code, and will comply with such provisions before commencing the performance of the work of this Agreements.

4.8 GENERAL RULES

4.8.1 Clarifications.

A potential bidder may request clarification of any provision in this RFP. Unless the State deems such clarification to be trivial in nature, any such clarifying questions and the State's response thereto will be addressed as an Addendum to this RFP. In no event can a bidder rely on oral representations if such representation conflicts with RFP including any Addenda.

4.8.2 Addenda.

The State may modify any part of this RFP prior to the date indicated for submission of responses. Any addendum will be in writing and will be issued to all bidders who have received this RFP. Addenda will be consecutively numbered.

4.8.3 No Obligation; Cancellation and Re-Issuance Of RFP.

This RFB does not obligate the State to establish eligibility for any bidders, or to issue any subsequent RFPs or enter into any agreements. The State reserves the right to cancel or re-issue this RFP at any time, and to solicit qualifications through any other appropriate method.

4.8.4 Rejection Of Proposals

The State may reject any response that the State deems to be incomplete, conditional, unresponsive to this RFP, significantly inaccurate in its representation or which is unacceptable to the State in the context of this RFP. Proposals that contain false or misleading statements, or which provide references which do not support an attribute or condition claimed by the bidder, may be rejected. The State's waiver of an immaterial deviation shall in no way modify the RFP document or excuse the bidder from full compliance with all requirements if awarded an agreement.

4.8.5 One Proposal Per Site Per Bidder

A bidder may submit only one response for any site offered in this RFP. However, a bidder may be a subcontractor to any number of other bidders that may submit responses to this RFP.

4.8.6 Substitutions

Vendors may substitute or alter their responses subsequent to the submission date only if such changes are approved in writing by the State.

4.8.7 Duration of Proposals

The prices and capacities indicated in responses to this RFP shall be deemed to continue in effect for the time periods indicated in the responses unless the State agrees in writing to a change.

4.8.8 Cost of Proposal And Non-Compensation

Each bidder is solely responsible for all costs associated with responding to this RFP. The State will not in any event reimburse any bidder for any costs associated with this RFP. The State reserves the right to make use of any information or ideas contained in the responses without compensation to the bidder.

4.8.9 Delivery of Proposals

Each bidder is solely responsible for assuring a timely submittal of its response. Late responses will not be accepted.

4.8.10 Withdrawal of Proposal

Responses to this RFP may be withdrawn after submission by written request of the bidder's authorized representative prior to the date and time specified for response submissions. Proposals may be withdrawn and resubmitted in the same manner if so done prior to the submission deadline.

4.8.11 Endorsements And Press Releases

If a bidder is announced as qualified, after the first stage review in this RFP, such bidder shall not issue any new releases or other statements pertaining to the qualification that state or imply the State's endorsement of such bidder's services or products without the written agreement of the State.

4.8.12 Complete Proposals

Proposals must be submitted for the performance of all of the services described herein. A bidder may submit bids for one site, a number of individual sites, or all sites. Any deviation from the work specifications will not be considered and will cause a proposal to be rejected.

4.8.13 Authorized Signature

An individual who is authorized to bind the proposing firm contractually shall sign the Proposal/Proposer Certification Sheet, Attachment 4, Form 4. The signature must indicate the title or position that the individual holds in the firm. An unsigned proposal may be rejected.

4.8.14 Proposer Due Diligence.

Before submitting a response to this solicitation, bidders should review, correct all errors and confirm compliance with the RFP requirements. In addition, bidders should carefully examine work sites and specifications during site visits. No additions or increases to the agreement amount will be made due to a lack of careful examination of work sites and specifications.

4.8.15 Disabled Veterans Business Enterprises – Preference

DVBE is applicable to this RFP. An introductory explanation is provided here for bidders' informational purposes. All bidders should consult the following web site for specific information: <http://www.pd.dgs.ca.gov/smbus/default.htm>

The state established a 3% DVBE Participation Goal to ensure a portion of the state's overall annual contract dollars are awarded to DVBEs. As a certified DVBE you are eligible for the state's 3% DVBE Participation Program and DVBE certification status strengthens business networking opportunities via the state's Internet Certified Firm Inquiry Services' certified DVBE query and listing.

To be eligible for DVBE certification, your business:

- Must be at least 51% owned by one or more disabled veterans;
- Your daily business operations must be managed and controlled by one or more disabled veterans (the disabled veteran(s) who manages and controls the business is not required to be the disabled veteran business owner(s)); and
- Your home office must be located in the U.S. (the home office cannot be a branch or subsidiary of a foreign corporation, foreign firm, or other foreign based business).

For certification purposes, a "disabled veteran" is:

- A veteran of the U.S. military, naval, or air service;
- Has a service-connected disability of at least 10% or more; and
- Must be a California resident.

To meet the DVBE program requirements, bidders must complete and fully document at least one of three compliance options

Access the online Disabled Veteran Business Enterprise Certification Application (STD. 812) on-line at the link shown above, or to receive your hard-copy form by mail, e-mail osbcrhelp@dgs.ca.gov or call (916) 323-5478.]

4.8.16 California Presence: EZA, LAMBRA, and TACPA, and

If applicable, identify EZA, LAMBRA, TACPA, and SBPCA applicability. More information can be obtained by contacting osbcrhelp@dgs.ca.gov.

- .1 Enterprise Zone Act (EZA) -** The Enterprise Zone Act (EZA) allows state contracting officials to give California based companies a 5 percent proposal preference when 50% of the labor required to perform commodities contracts or 90% of the labor for services contracts is performed at the approved EZA work site(s). To receive a contract award based on preferences, the company must certify under

penalty of perjury that the required contract labor shall be accomplished at the approved work site.

Companies qualifying for the 5 percent work site preference may request an additional 1 to 4 percent workforce preference by certifying to hire a specified percent of their contract workforce labor hours from a targeted employment area, or from enterprise zone eligible employees.

Bidders should contact the city or county economic development office or the State Trade and Commerce Agency at (916) 324-8211 to identify enterprise zone locations. Firms receiving EZA preferences must report their labor hours. Reference the state contract on which the award is based for specific reporting requirements.

Shortcut to EZA Request Form Std. 831:

<http://www.documents.dgs.ca.gov/osp/pdf/std831.pdf>

.2 Local Agency Military Base Recovery Area (LAMBRA) - The Local Agency Military Base Recovery Area (LAMBRA) Act provides for two bidding preferences: Worksite and Workforce.

Worksite Preference: LAMBRA provides a 5 percent bidding preference on state solicitations for goods and services valued at more than \$100,000 if the worksite is located in a LAMBRA as designated by the State Trade and Commerce Agency. LAMBRA allows state-contracting officials to award the bid worksite preference when 50% of the labor hours required to perform a contract for goods, or 100% of the labor hours required to perform a contract for services is performed at the approved worksites.

Workforce Preference: Companies qualifying for the 5% worksite preference may request an additional 1% - 4% workforce preference by certifying to hire a specified percent of the contract workforce employees from those designated as LAMBRA qualified individuals (See Assembly Bill 3: Chapter 1012, 9/30/1998). To request workforce preference, the bidder must first identify an eligible worksite. The Office of Small Business Certification and Resources (OSBCR) in the Department of General Services administers the LAMBRA program, and they can be contacted at:

Office of Small Business Certification and Resources
1531 I Street, 2nd Floor
Sacramento, CA 95814-2016
Receptionist: (916) 323-5478
Fax: (916) 442-7855
24-Hour Recording & Mail Request call (916) 322-5060.
E-mail: osbcrhelp@dgs.ca.gov

Firms receiving LAMBRA preferences must report their labor hours. Reference the state contract on which the award is based for specific reporting requirements.

Shortcut to LAMBRA Request Form Std. 832:

<http://www.documents.dgs.ca.gov/osp/pdf/std832.pdf>

- .3 Target Area Contract Preference Act (TACPA)** - The Office of Small Business Certification and Resources (OSBCR) is also the administering agency for the Target Area Contract Preference Act (TACPA) program that was implemented in State procurement in 1982. TACPA provides a 5 percent proposal preference on service and commodity contracts valued at more than \$100,000 if the business work site is located in a distressed area as designated by the Office of Planning and Research.

The TACPA allows state contracting officials to award California based companies the bid preference when 50% of the labor required to perform commodities contracts or 90% of the labor for services contracts is performed at the approved work site(s). TACPA work sites may be in, or directly adjacent to and forming a contiguous boundary with, the distressed area. To receive a contract award based on preferences, the company must certify under penalty of perjury that the required contract labor shall be accomplished at the approved work site. Companies qualifying for the 5 percent work site preference may request an additional 1 to 4 percent workforce preference by certifying to hire a specified percent of their contract workforce labor hours from among persons with high risk of unemployment.

Bidders should contact the Office of Small Business Certification and Resources at (916) 323-5478, to determine if the worksite(s) is eligible. Firms receiving TACPA preferences must report their labor hours. Reference the state contract on which the award is based for specific reporting requirements.

Shortcut to TACPA Request Form Std 830:

<http://www.documents.dgs.ca.gov/osp/pdf/std830.pdf>

4.8.17 Small Business Procurement and Contract Act (SBPCA)

A 5% Small Business Preference will be given to certified Small Business Enterprises with respect to the total dollar value of the contract over its term up to the statutory maximum of \$50,000. The Office of Small Business Certification and Resources (OSBCR) is also the administering agency for the Small Business Procurement and Contract Act. For specific information regarding this preference allowance for contracts, please contact:

Office of Small Business Certification and Resources
1531 I Street, 2nd Floor
Sacramento, CA 95814-2016
Receptionist: (916) 323-5478
Fax: (916) 442-7855
24-Hour Recording & Mail Request call (916) 322-5060.
E-mail: osbcrhelp@dgs.ca.gov

5.0 BIDDER PROPOSAL REQUIREMENTS

5.1 GENERAL

Responses to this RFP must be submitted in writing, and signed by an authorized officer or agent of the bidder. All responses should have “State Facility Solar Power Purchase Program Request for Proposals # 2004-1 Response” marked clearly and prominently on each envelope or delivery box. Moreover, each bidder will submit its bid in two separate sealed “envelopes” or boxes, with each one clearly labeled as either:

Sealed Envelope #1 - Technical Proposal & Qualifications of _____ [bidder name]

Sealed Envelope #2 - Price Bid of _____ [bidder name]

The Department of General Services must receive **ten (10) copies** of the bidder’s package no later than **4 p.m. on June 17, 2004**. Responses submitted after this date cannot be accepted, and responses that are incomplete or do not conform to the requirements of this RFP will not be considered. All proposals must be submitted under **sealed cover**.

Each bidder shall include a **transmittal letter** signed by a party authorized to sign binding agreements for projects of the nature ultimately contemplated by this RFP. The letter shall clearly indicate that the bidder has carefully read all the provisions in this RFP including the Major Terms and Conditions for the Solar Power Purchase Agreement and Solar License Agreement, and, that by submitting a response, it agrees to be bound by them.

The letter should further **specify a list of which sites are included** in the bid.

Responses and questions shall be **submitted as outlined on pages 4-5 of this RFP**.

If a bidder will be submitting proposals for multiple sites, the bidder may submit one set of all requested material, accompanied by site-specific Proposal Forms 1 and 2 (as well as site-specific Bid Form 3s if contractors and installers will vary by site). In this case, all but Proposal Form 2s will go into Envelope 1, and all individual Proposal Form 2s for the multiple sites proposal will go into Envelope 2.

All bidders should prepare their bid documents with the exact heading names, numbers, and sequence shown below. The State values succinct communication, and has set maximum page-length limits for each bid response section. Page limits must be followed; the review panels will not read any material in excess of the permitted pages per section.

5.2 SECTION 1 - COVER LETTER and EXECUTIVE SUMMARY of PROPOSAL

All bidders are requested to submit a cover letter and executive summary of their proposal, not to exceed 3 pages, including the cover letter.

5.3 SECTION 2 - SOLAR PROVIDER TEAM ORGANIZATION and QUALIFICATIONS

Each bidder should provide information and explanation of the bidder's team and its qualifications (maximum 6 pages, plus specifically referenced resumes, financial statements, etc.), addressing:

5.3.1 Lead Bidder and Contact Information

Name the team member who will be the lead negotiator and will sign all agreements with the State agencies and educational institutions.

5.3.2 Description of Team Roles & Organization Chart

Include responsibilities for each of the following in list or chart format:

- contract management,
- feasibility/design,
- equipment sourcing,
- system integration,
- installation,
- financial team,
- capital source(s),
- solar energy billing.

Each bidder shall provide the following information regarding its company and team members:

- .1 Names of team member(s), major subcontractor(s) and supplier(s).
- .2 Roles and relationships of the team members (names of current or proposed owners, partners, shareholders of primary company and subcontractor as well as names of all current or proposed affiliate or parent companies of the team). The response should include ownership information and an explanation of any significant relationships between or among team member organizations.
- .3 Identify who will own the solar system throughout the proposed SPPA term(s).
- .4 Resumes for key employees expected to work on projects.

5.3.3 Experience with Related Business Transactions

For each firm (or key individual if not associated with a firm), as applicable, indicate:

- .1 Total kW of on-site solar PV placed in commercial operation,
- .2 List of any 3rd-party-owned projects that you have placed in commercial operation (need not be solar technology),
- .3 List of all solar projects for which designer, integrator, and/or installer has completed Rule 21 interconnections in California,
- .4 Whether the company and/or its officers or principals is currently party to any lawsuit involving the performance of any equipment it has installed, owns or operates; or had such a lawsuit settled or decided within the last three years. If so, please include a summary of the issues and status,
- .5 For the equipment proposed for all sites bid, indicate if there is any availability or delivery constraint associated with the proposed suppliers (manufacturers or distributors) that may affect the bidder's ability to provide the required volume of solar system components. If so, please describe a mitigation plan.

5.3.4 Financial Strength of Bidding Team (See also Item 7 in this section, below)

Include as separate referenced attachments:

- .1 Annual report &/or audited financial statement showing the three (3) most recent accounting years for the lead bidder,
- .2 Bidder's demonstrated capital capacity or other financial strength to support all the bids submitted, sufficient to support the offerings described in the bidder's proposal,
- .3 Business and Credit Ratings: If available, provide the current Dunn & Bradstreet rating for each team partner.

5.3.5 Ability to Support Statewide Installations

Recognizing that a single bidder could receive potential awards in multiple locations across the state, bidders for more than one site shall discuss specific methods of handling feasibility verification, installation, commissioning and operation and maintenance of these projects. This discussion should include mention of the geographic base (bases) from which the bidder's team(s) will work. If any remote monitoring or diagnosis will be employed, please describe this.

5.3.6 References

Provide a list of the largest solar projects (up to 10 projects) that your team has completed (individually or together) west of the Mississippi River. Exclude any projects by manufacturers on your team if they did not also perform system integration or installation. Please prioritize this list to feature any that involved 3rd-party ownership and/or "build & service" relationships. These references will be checked for performance, quality of service, and satisfaction of contract obligations. For each project list the following information:

- owner/host organization name and site address
- project capacity (in kW AC output)
- primary component manufacturers
- name of installation firm or team
- total installed cost

- the name, title and phone number of the individual at the customer/client organization who can answer technical and contract management questions about that project
- whether your team arranged a successful California Rule 21 utility interconnection

5.4 SECTION 3 - SOLAR EQUIPMENT & INSTALLATION TECHNICAL DESCRIPTIONS (maximum 6 pages; bidder can submit a separate attachment with technical brochure or material, if desired.)

All on-site solar systems offered are expected to meet the specifications described in Attachment 2. Bidders must indicate in their submittals that they will comply with all the provisions listed in Attachment 2. Equipment, electrical design, and system configuration details may vary from the illustrative conditions shown in Attachment 1. Attachment 3, the site visits, and any subsequent addenda in response to bidders' questions are intended to clarify the site-specific conditions.

Bidders must describe the technology(s) that they expect to use for their proposed installation configurations, and respond to the technical questions listed in Proposal Form 1.

5.4.1 Technology

- Components contained in solar array or collector, inverter, and primary balance of system components, including all power conditioning equipment.
- Efficiency (both cells & systems)
- Total project size offered, described both in installed AC wattage (PTC) and expected solar energy production for sale to the host site (annual kWh)

A bidder must specifically describe the technology in detail (including expected system efficiency and output performance over time, using Proposal Form #1).

A bidder must describe its experience and qualifications as applicable to the technology proposal and the bidder's organizational team regarding proposal technology sourcing, design, installation and maintenance.

Proposal response should indicate the aggregate capacity of their completed projects for equivalent commercial installations.

5.4.2 Framing/Support

- Describe your proposed configuration (e.g. roof, carport, ground-mount) and what framing or support system you propose.
- Roof-mounted systems may, but are not required to include non-penetrating installations. Please describe any roof penetration required and arrangements to be made to maintain existing roof warranty.
- Describe the suggested mounting and if it will be flat, tilted, and/or tracking (and indicate the degree of tilt or tracking, if applicable), as well as why you believe this to be appropriate.

5.4.3 Ensuring On-Peak Power Demand Savings (if applicable to your bid)

Please describe any included or optional measures to help ensure economic savings from reduced utility on-peak power demand charges. (See discussion in Section 2.1.)

5.4.4 Capacity Restrictions to Your Proposal

Describe any capacity restrictions that exist for your team's ability to deliver all systems bid, such as minimum/maximum installed system size, geographical limits on installations, team's installation capacity/year, etc., especially if you are bidding on more than one site.

5.4.5 Installation Techniques

Please describe your team's installation techniques. This may include:

- Design specifications for installation
- Manufacturer installation guidelines and effect on warranties
- Specialized training or certification of installers.

5.5 SECTION 4 - PROJECT IMPLEMENTATION TASKS and SCHEDULE (maximum 3 pages)

Please review the Solar License Agreement, Exhibit G Project Design and Installation Process for a description of the DGS process for managing projects on State executive agency projects. With this knowledge, bidders shall provide a description of their solar project implementation plan. If bidding more than one site, please indicate which project is described and how any other site proposals would vary. Such a description should include:

- The process, timing and need for state agency host participation.
- What types of personnel will work on the tasks, and where this work will occur (e.g. solar provider office, host headquarters, off-site fabrication area, or host site).
- An example of a preliminary schedule detailing the time required for project feasibility and planning, execution of power purchase and site license agreements, environmental clearances, project design, utility interconnection agreement, site and construction permitting, site preparation, construction, start-up/commissioning, and system completion.

5.6 SECTION 5 - OPERATION, MAINTENANCE, SERVICE and MONITORING PLANS (maximum 2 pages)

The bidder will provide Operation and Maintenance (O&M) services for the full term of the agreement. Please reference the minimum O&M specifications in Attachment 2. The cost for such services shall be included in the energy sales price. Bidder shall describe its experience providing O&M services for solar installations and shall provide information on the personnel providing such services.

Bidder should also discuss its proposed method of monitoring, diagnosing and tracking the energy output of the system. The State expects that bidders will offer a web-based monitoring and tracking system accessible both to bidder and to host site.

Information should include, but not be limited to:

- Description of O&M services to be provided
- Description of performance monitoring, diagnosis, and output tracking
- Identification of O&M personnel
- Frequency of service visits

5.7 SECTION 6 - BILLING (maximum of 3 pages, including a sample bill)

IMPORTANT: IN THIS SECTION DO NOT DISCUSS YOUR ACTUAL PRICE BID. THAT INFORMATION CAN BE PRESENTED ONLY IN ENVELOPE #2

As described in Sections 2.1 and 2.5 (with accompanying Proposal Price Forms 2A and 2B), we are requesting price bids that reflect a specific price offered each year. These bids will not reflect different prices charged for the solar power sold at different times of day (i.e., do not bid different prices for peak, mid peak and off peak deliveries). Bidders shall internalize assumptions about time-of-day delivery in the average solar price offered each year.

However, in the case of the price bid structured as a discount from the utility tariff, or in the bidding process that must guarantee a host site does not pay above the retail tariff, the solar bidder will have to provide some **analysis or documentation that assures the host site the solar price paid remains under the otherwise applicable retail price of power to that facility**.

In its bid, bidder shall describe:

- its planned system for billing the host site, consistent with the price form bid (e.g. discount from current tariff, stepped price with escalation factors, fixed price with escalation factors). Include any relevant interaction with utility revenue meter and related power consumption.
- method to document solar system output
- any annual adjustment or true-up process to ensure you meet your production guarantee
- any annual adjustment to ensure that the solar price paid does not exceed the utility bill that otherwise would have been paid absent the solar energy purchase
- any special analysis, calculations, or billing methods that you will apply if you will take credit for saving the host-site on-peak demand charges
- the ability and preferred method for the sharing of billing data and information (e.g. online, email data files, third party access, etc.)

Bidder also shall submit a sample mocked-up bill, consistent with the form of your price bid:

- Please note that each host site may have unique billing requirements (e.g. wanting the bill to indicate a found source for payment or the bill routing procedure), that might need to appear on the solar bill submissions.
- Proposal response should indicate whether or not the billing system offers the flexibility to accommodate these types of billing requirements.

5.8 SECTION 7 - CAPITAL FINANCE STRUCTURE (maximum 4 pages plus attachments)

Please provide information relating to your proposed equity and debt structure. We understand that third party funding of solar energy projects is not routine. Accordingly, bidders are encouraged to provide additional information that may be relevant to support the team's ability to provide such third-party ownership and outside capital financing, including experience with other forms of capital equipment or facilities.

Information to help evaluate bidder's ability to provide the necessary long-term financing should include:

- Description of relevant financing structure(s) from your experience
- Identification of funding sources for these, with contact information
- Examples of previously funded/financed third-party owned projects and solar projects (the latter regardless of ownership); provide a description, location, host, etc.
- Commitment letter from anticipated funding source(s) and the credit rating of each funding source

Additionally, please provide for all financing team members:

- the three most recent years' annual reports or audited financial statements
- credit rating (from one of the following organizations):
Standard & Poor's _____

Fitch's _____

Moody's _____

5.9 SECTION 8 - PROTECTIONS and ASSURANCES (Number of pages as required, plus Proposal Form 3- one overall form if you will use just one installation firm, or separately by site if you propose different installation firms)

5.9.1 RFP Provisions and Requirements.

Bidders will indicate in their cover letter that they have read, understand and agree to abide by the provisions and requirements of Section 4 of the RFP.

5.9.2 Legal Representation.

Bidders will copy into their bid submission the following statement, create a separate signature page for each company joining in the bid, and have each company officer or partner sign:

Lawsuits: Bidder represents and warrants that there are no claims, disputes, actions, suits, proceedings or investigations pending or threatened against or affecting the Bidder or any subsidiary of the Bidder by

any governmental agency or any person that would restrain or prevent Bidder or any subsidiary of the Bidder from fulfilling its obligations contemplated by this Agreement or that might materially affect the Bidder's ability or the ability of any subsidiary of the Bidder to fulfill its obligations contemplated by this Agreement.

Signed _____

(print/type individual name)

Dated _____

(print/type company name)

5.10 SECTION 9 - OTHER BIDDER INFORMATION (maximum of 5 pages; content is bidder's choice)

5.11 SECTION 10 - PRICING (maximum 2 pages, plus Proposal Forms 2A and B for each site bid, Submitted in Envelope #2)

Bidders shall provide a description of their proposed price methodology, including definition of any formula or escalation factors to be used.

Pricing shall be provided on a ¢/kWh basis and shall describe any tracking or adjustment methods (as described above in Section 3).

Bidders will describe their pricing structure and complete all information as requested in Proposal Forms 2A and 2B.